

4310-MR-W

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010-AC65

Oil and Gas and Sulphur Operations in the Outer Continental Shelf –

Decommissioning Activities

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Corrections to Final Regulations.

SUMMARY: This document contains corrections to the final regulations published on Friday, May 17, 2002 (67 FR 35398). The final regulations related to decommissioning activities, and included requirements for plugging a well, decommissioning a platform and pipeline, and clearing a lease site. The corrections being made are non-substantive and are necessary for clarification purposes only.

EFFECTIVE DATE: July 16, 2002.

FOR FURTHER INFORMATION CONTACT: Sharon Buffington, (703) 787-1147.

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections add a new subpart Q to the 30 CFR part 250 regulations. They update decommissioning requirements to reflect changes in technology to ensure that lessees and pipeline right-of-way holders conduct decommissioning operations safely and effectively. The new subpart Q supersedes subpart G (Abandonment of Wells) in its entirety and selected sections of subpart J (Pipeline and Pipeline Rights-of-Way), and subpart I (Platforms and Other Facilities). The effective date of the regulations is July 17, 2002, and they affect all operators, lessees, and pipeline right-of-way holders on the Outer Continental Shelf.

Need for Correction

As published, the final regulations contain some non-substantive items which could prove to be misleading and should be clarified. Explanations for the main issues follow:

(1) In several places, we are correcting inaccurate citation references in the preamble and regulatory language.

(2) Our response to a comment recommending that MMS include the requirements for the removal of subsea equipment, indicated that they are “. . . handled case-by-case. . . . Too many variables exist to specify the requirements in regulations.” We further stated that, “However, lessees can assume that equipment must be removed unless the requirements of §§ 250.1725 through 250.1728. . . .” The word “unless” should have been “under” to indicate that the assumption is that subsea equipment must be removed

and any exceptions would need MMS district office approval on a case-by-case basis.

(3) The new subpart Q includes the requirements for both permanent plugging and temporary plugging or abandonment of a well. With respect to the latter, the regulations interchanged the terms temporarily “abandoned” and temporarily “plugged.” In order to be as consistent as possible throughout our various regulations and with terms used on our forms and other documents, we are correcting the final regulations to consistently refer to this temporary status of a well as “abandoned.”

(4) The table in § 250.1704 was intended as a quick reference listing of when decommissioning applications and reports are submitted. We are correcting the table to redesignate paragraph (f) as (g), and to add a new paragraph (f) to reference the site clearance report for platforms or other facilities. The redesignated paragraph (g) is corrected by adding additional references for when form MMS-124 must be submitted. These were inadvertently omitted from the table. Subsequent to publishing the final 30 CFR 250, subpart Q, regulations, through a separate process, the title of this form is being changed from “Sundry Notices and Reports on Wells” to “Application for Permit to Modify.” This change is reflected in this correction document.

(5) In § 250.1712 paragraphs (e) and (f)(14) are corrected to eliminate duplicative language.

(6) In the table in § 250.1715 on permanent well plugging requirements, we are clarifying the requirements to indicate that the “plug(s)” are “set.” Also, the line item on “permafrost areas” was inadvertently omitted and is added to the table as item (10).

(7) In §§ 250.1712 and 250.1717, the correction clarifies that the form MMS-124 reports should be submitted to the “appropriate District Supervisor.”

(8) The introductory text in § 250.1726 is clarified to include “pipeline rights-of-way” as well as leases.

(9) In § 250.1740, paragraphs (a) and (b) are corrected to allow for options other than trawling to verify site clearance around wells. This was an inadvertent oversight in the final rule and the correction agrees with the proposed rule language.

(10) Sections 1740(c)(3) and 250.1743(b) are corrected to specify “Regional” rather than the “District” Supervisor.

(11) This document also makes other editorial corrections for clarification.

Correction of Publication

The preamble of the final rule published on May 17, 2002, which was the subject of FR Doc. 02-11640, is corrected as follows:

Preamble [Corrected]

On page 35400, in the 1st column, in the 7th paragraph under the heading Section 250.1715 (Proposed section 250.1710), the citation “§ 250.1710(i)” is corrected to read “§ 250.1710(j)”.

On page 35401, in the 1st column, in the 4th paragraph, the words “ and 250.142” are added after the citation “30 CFR 250.141”.

On page 35401, in the 2nd column, in the 1st sentence, the word “unless” is corrected to read “under” and the words “are met” are removed.

PART 250 [Corrected]

Part 250 is corrected by making the following correcting amendments

Subpart Q – Decommissioning Activities [Corrected]

§ 250.1700 [Corrected]

1. In § 250.1700, the 2nd sentence in paragraph (c) is corrected by removing “templates and pilings” and adding in its place “templates, pilings”.
2. The table in § 250.1704 is corrected as follows:
 - A. The heading in the 1st column of the table is revised to read “Decommissioning applications and reports”.
 - B. Paragraph (f) in the 1st column is correctly designated as paragraph (g), and is revised to read as set forth below.
 - C. A new paragraph (f) is added in the 1st column with corresponding entries in the 2nd and 3rd columns as set forth below.

§ 250.1704 When must I submit decommissioning applications and reports?

* * *

Decommissioning applications and reports	When to submit	Instructions
* * *	* *	* *
(f) Site clearance report for a platform or other facility.	Within 30 days after you complete site clearance verification activities.	Include information required under § 250.1743(b).
(g) Form MMS-124, Application for Permit to Modify (formerly Sundry Notices and Reports on Wells).	(1) Before you temporarily abandon or permanently plug a well or zone.	Include information required under §§ 250.1712 and 250.1721.
	(2) Within 30 days after you plug a well.	Include information required under § 250.1717.
	(3) Before you install a subsea protective device.	Refer to § 250.1722(a).
	(4) Within 30 days after you complete a protective device trawl test.	Include information required under § 250.1722(d).
	(5) Before you remove any casing stub or mud line suspension equipment and any subsea protective device.	Refer to § 250.1723.
	(6) Within 30 days after you complete site clearance verification activities.	Include information required under § 250.1743(a).

3. Section 250.1712 is corrected by revising the 1st sentence in the introductory text and paragraphs (e) and (f)(14) to read as follows:

§ 250.1712 What information must I submit before I permanently plug a well or zone?

Before you permanently plug a well or zone, you must submit form MMS-124, Application for Permit to Modify, to the appropriate District Supervisor and receive approval. * * *

* * * * *

(e) A description of the work; and

(f) * * *

(14) Your plans to protect archaeological and sensitive biological features, including anchor damage during plugging operations, a brief assessment of the environmental impacts of the plugging operations, and the procedures and mitigation measures you will take to minimize such impacts.

4. In § 250.1715, in the table in paragraph (a), paragraphs (a)(1) through (a)(4) are revised and paragraph (a)(10) is added to read as follows:

§ 250.1715 How must I permanently plug a well?

(a) * * *

If you have:	Then you must use:
(1) Zones in open hole.	Cement plug(s) set from at least 100 feet below the bottom to 100 feet above the top of oil, gas, and fresh-water zones to isolate fluids in the strata.
(2) Open hole below casing.	(i) A cement plug, set by the displacement method, at least 100 feet above and below deepest casing shoe; (ii) A cement retainer with effective back-pressure control set 50 to 100 feet above the casing shoe, and a cement plug that extends at least 100 feet below the casing shoe and at least 50 feet above the retainer; or (iii) A bridge plug set 50 feet to 100 feet above the shoe with 50 feet of cement on top of the bridge plug, for expected or known lost circulation conditions.
(3) A perforated zone that is currently open and not previously squeezed or isolated.	(i) A method to squeeze cement to all perforations; (ii) A cement plug set by the displacement method, at least 100 feet above to 100 feet below the perforated interval, or down to a casing plug, whichever is less; or (iii) If the perforated zones are isolated from the hole below, you may use any of the plugs specified in paragraphs (a)(3)(iii)(A) through (E) of this section instead of those specified in paragraphs (a)(3)(i) and (a)(3)(ii) of this section. (A) A cement retainer with effective back-pressure control set 50 to 100 feet above the top of the perforated interval, and a cement plug that extends at least 100 feet below the bottom of the perforated interval with at least 50 feet of cement above the retainer; (B) A bridge plug set 50 to 100 feet above the top of the perforated interval and at least 50 feet of cement on top of the bridge plug; (C) A cement plug at least 200 feet in length, set by the displacement method, with the bottom of the plug no more than 100 feet above the perforated interval; (D) A through-tubing basket plug set no more than 100 feet above the perforated interval with at least 50 feet of cement on top of the basket plug; or (E) A tubing plug set no more than 100 feet above the perforated interval topped with a sufficient volume of cement so as to extend at least 100 feet above the uppermost packer in the wellbore and at least 300 feet of cement in the casing annulus immediately above the packer.
(4) A casing stub where the stub end is within the casing.	(i) A cement plug set at least 100 feet above and below the stub end; (ii) A cement retainer or bridge plug set at least 50 to 100 feet above the stub end with at least 50 feet of cement on top of the retainer or bridge plug; or (iii) A cement plug at least 200 feet long with the bottom of the plug set no more than 100 feet above the stub end.
* * * *	* * *
(10) Permafrost areas.	(i) A fluid to be left in the hole that has a freezing point below the temperature of the permafrost, and a treatment to inhibit corrosion; and (ii) Cement plugs designed to set before freezing and have a low heat of hydration.

* * * * *

5. The introductory text in § 250.1717, is revised to read as follows:

§ 250.1717 After I permanently plug a well, what information must I submit?

Within 30 days after you permanently plug a well, you must submit form MMS-124, Application for Permit to Modify (subsequent report), to the appropriate District Supervisor, and include the following information:

* * * * *

Temporary Abandoned Wells

6. The undesignated center heading preceding § 250.1721 is revised to read as set forth above.

§ 250.1721 [Corrected]

7. In §250.1721, in the section heading and two places in the introductory text of § 250.1721, the word “plug” is revised to read “abandon”.

§ 250.1722 [Corrected]

8. Section § 250.1722 is corrected as follows:

A. In the introductory text, the citation “§ 250.1721(f)” is revised to read “§ 250.1721(f)(3)”;

B. In paragraph (c), the citation “§ 250.1740(a)” is revised to read “ §250.1741(d) through (h)”;

C. In paragraph (g), the word “greater” is revised to read “less”.

§ 250.1723 [Corrected]

9. In the introductory text of § 250.1723, the words “temporarily plugged” are revised to read “temporary abandoned”.

10. In § 250.1726, the introductory text is revised to read as follows:

§ 250.1726 When must I submit an initial platform removal application and what must it include?

An initial platform removal application is required only for leases and pipeline rights-of-way in the Pacific OCS Region or the Alaska OCS Region. It must include the following information:

* * * * *

§ 250.1740 [Corrected]

11. Section 250.1740 is corrected as follows:

A. Paragraph (a) is removed, paragraph (b) is redesignated paragraph (a).

B. The introductory text in newly redesignated paragraph (a) is revised, a new paragraph (b) is added, and the introductory text in paragraph (c) is revised to read as set forth below.

C. In paragraph (c)(3), the word “District” is revised to read “Regional”.

§ 250.1740 How must I verify that the site of a permanently plugged well, removed platform, or other removed facility is clear of obstructions?

* * * * *

(a) For a well site, you must either:

* * * * *

(b) For a platform or other facility site in water depths less than 300 feet, you must drag a trawl over the site.

(c) For a platform or other facility site in water depths 300 feet or more, you must either:

* * * * *

12. Section 250.1741 is corrected as follows:

A. Paragraph (b) is revised to read as set forth below.

B. In the table in paragraph(g), in paragraph(g)(3) the word “active” is added between the words “diameter” and “pipelines” to read “diameter active pipelines”.

§ 250.1741 If I drag a trawl across a site, what requirements must I meet?

* * * * *

(b) You must trawl 100 percent of the limits described in paragraph (a) of this section in two directions.

* * * * *

§ 250.1743 [Corrected]

13. In § 250.1743, in paragraph (b), the word “District” is revised to read “Regional”.

§§ 250.1721, 250.1722, 250.1723, 250.1743 [Corrected]

14. In addition to the corrections set forth above, remove the words “Sundry Notices and Reports on Wells” and add, in their place, the words “Application for Permit to Modify” in the following places:

- A. Section 250.1721(a) and (g);
- B. Section 250.1722(a) and (d);
- C. Section 250.1723(b); and
- D. Section 250.1743(a).

8/30/02

/signed/ Rebecca W. Watson

Dated.

Assistant Secretary, Land and Minerals Management.